

UNGARETTI
& HARRIS

MAR 18

9 49 AM '98

WASHINGTON

1747 Pennsylvania Ave., N.W., Suite 900
Washington, D.C. 20006-4604
Telephone: 202.872.4310
Fax: 202.331.1486

March 17, 1998

CHICAGO

3500 Three First National Plaza
Chicago, Illinois 60602-4283
Telephone: 312.977.4400
Fax: 312.977.4405

<http://www.uhlaw.com>

Writer's Direct Dial

202.778.4460

Mr. F. Andrew Turley
Supervisory Attorney
Central Enforcement Docket
Federal Election Commission
999 E Street, N.W.
Washington, DC 20463

Re: **MUR 4721**

Dear Mr. Turley:

This is submitted in response to your letter of February 24, 1998, forwarding a copy of a complaint submitted to the FEC by Mr. Michael R. Cys concerning the above-captioned matter.

The charges raised in Mr. Cys' letter are factually inaccurate, misleading and totally without merit. As such, the Commission should take no action on this complaint and dismiss it immediately.

At the outset of this response, it is important to identify the party complaining. Mr. Cys is the campaign manager of the Fitzgerald for U.S. Senate Committee. He apparently believes that when the Fitzgerald campaign needs publicity -- he can create a press release and depending on the reaction to it, convert it into a complaint with the FEC. Attached is a copy of the press release authored by Mr. Cys that was converted into the complaint referenced by your February 24 letter (Exhibit 1.) For the purpose of those press release/complaints, Mr. Cys is less interested in fact than he is in press coverage. It is unfortunate that the Fitzgerald for Senate Committee believes that it should use the FEC process to bolster their campaign efforts. Moreover, it is particularly disturbing that as part of the Fitzgerald U.S. Senate Committee's desperate attempt to obtain press coverage, they have maligned the owners and employees of American Sightseeing Tours.

The entire package submitted by Mr. Cys is suspect. With his letter, he includes a document entitled, "The Loleta Cruiser, Who Paid For It." He describes this document as "a true and complete copy of which is attached hereto as Group Exhibit 'A.'" A true and complete copy of what? This document was produced by Mr. Cys and the Fitzgerald for U.S. Senate Committee to support a fictitious argument. It offers no facts.

UNGARETTI
& HARRIS

Mr. F. Andrew Turley
Federal Election Commission
March 17, 1998
Page 2

The complaint is based upon the use of a bus by the Didrickson for U.S. Senate Committee ("Committee"). The bus was leased by the Committee from American Sightseeing Tours. In order to find a bus for use on various days over a several month period, Committee officials contacted a number of bus companies to secure the best arrangement. The Committee decided to accept the proposal submitted by American Sightseeing Tours. The contractual arrangement with American Sightseeing Tours was as follows:

Use of bus for 12-hour day	\$ 500.00 per day ¹
Add'l Hour above 12 hours	40.00 per hour
* * *	
Advertising Fee for "Wrapped Bus"	3,360.00 per month
(Monthly charge for advertising whether or not bus was used by Committee)	

(See Exhibit 2 for the American Sightseeing Tours Advertising Invoices.)

The Committee paid separately for the signage on the bus. The signs were prepared by the Ace Sign Company at a cost of \$4,040.00. (See Exhibit 3). The Committee also paid to have the signs removed. (See Exhibit 4).

The Committee utilized the bus for a total of six days from November through February 18, 1998. Those six days were:

November 5-8, 1997; February 7 and February 14, 1998
(The invoices for those six days are attached as Exhibit 5).

Except for those six days, on all other days during the months of November, December, January, and February, the bus was in the possession of American Sightseeing Tours.² It is the Committee's understanding that American Sightseeing leased the "wrapped" bus to other clients during that same period of time.

¹ In arranging for a contractual rate for the daily use of the bus, the Committee had two options -- pay a fee for a 24-hour daily rental or pay for the standard 12-hour bus rental rate with an additional charge for each hour the bus was used over 12-hours on any given day. Since the Committee planned to use the bus less than 12 hours on most days, the 12-hour fee option was selected.

² In the Cys press release, he claims that the Committee should pay for the bus even on days it did not use it. This is a totally ludicrous claim that is inconsistent with industry practice.

UNGARETTI
& HARRIS

Mr. F. Andrew Turley
Federal Election Commission
March 17, 1998
Page 3

The agreement between the Committee and American Sightseeing was canceled effective on February 19, 1998. (See Exhibit 6).

The agreement entered into between the Committee and American Sightseeing was consistent with standard industry agreements. Advertisers of all kinds frequently place ads on a bus and pay a set monthly fee, regardless of whether they use the bus or not. The fee is for advertising. It is standard industry practice to charge separate fees for use of a bus as opposed to fees charged for advertising on that bus. The advertising on the bus does not prevent use of the bus.

As to the question raised concerning the reporting of the November American Sightseeing Tours' bill, that bill was reported and paid. As can be seen from the attached letter from Wolf & Company, CPA's for the Committee, the failure to report some accounts payable was an inadvertent oversight that was corrected. (See Exhibit 7).

It is unfortunate that some believe that campaign tactics should include false and misleading charges. In this case, the Fitzgerald for U.S. Senate Committee has taken those tactics a step further by attempting to utilize the FEC to be part of that effort. On behalf of the Committee, we thank you for your quick attention to this matter and trust that the information provided will allow you to dismiss the complaint and move on to real issues.³

Please call if you have any questions or need any additional information.

Sincerely,


Edward P. Faberman

Enclosures

cc: Jennifer H. Boyt, Esquire

³ In Mr. Cys' letter, he also states that the bus invoice was sent to the Illinois State Comptroller's office and as a result he speculates that "the contract was signed for by Loleta Didrickson in her official capacity." Mr. Cys again has difficulty in separating fact from fiction. Although the contract was inadvertently sent to the Comptroller's office, it was immediately forwarded to the campaign headquarters where it was processed. After that date, all correspondence was sent to the campaign headquarters. As can be seen by the attached invoices, those invoices were mailed to the Committee.

Fitzgerald

U.S. SENATE

February 15, 1998

Press release

For immediate release

Contact: Tim Bryers, Press Secretary

Phone: 847-963-1998

Fitzgerald to file FEC complaint against Didrickson campaign **Illegal Loleta cruiser bus at center of controversy**

Palatine, IL....Charging that Loleta Didrickson has accepted an illegal \$122,000 corporate campaign contribution and broken federal election laws by failing to report a bright red, shrink-wrapped bus, the Fitzgerald for Senate campaign will file on Tuesday an official complaint with the Federal Election Commission in Washington.

A Daily Herald investigation last week turned up evidence that the Didrickson campaign had not reported on its Federal Election Commission disclosure forms any expenses for the \$24,000 per month luxury cruiser bus Didrickson has been using on her campaign since at least last November. "Didrickson's acceptance of this illegal corporate campaign contribution, and her subsequent failure to report it, is inexcusable," said Fitzgerald. "Her campaign has had the bus since November and, according to her campaign reports, she has never paid a dime for it. No other customer could walk in off the street and use that bus exclusively for three-and-a-half months without paying anything for it, not even a deposit. This is clearly a serious and willful violation of federal campaign law."

Last week, the Didrickson for Senate campaign issued conflicting statements about the bus. Initially, Didrickson said there was nothing wrong with the fact that no payment appeared on her Senate campaign finance report. Later, the campaign said the bill had been mistakenly submitted for payment to the state Comptroller's office. Still later, the campaign's accountant issued a statement taking the blame for the error and said the Didrickson campaign would pay the cost of the bus and issue an amended FEC disclosure form. As of Monday morning, no FEC amendment had been filed.

Incredibly, although the bus has been shrink-wrapped and set aside for her exclusive use since November, once she was caught by the Daily Herald, Didrickson claimed she only has to pay for the days she actually drove it. The complaint will seek to compel her to pay fair market

values for the bus for the entire period it has been under her control. The complaint will also seek the imposition of fines in the amount double the illegal corporate contribution.

"Didrickson is running an illegal operation and we will continue to make her account for her illegal activities," said Fitzgerald. "The Didrickson campaign has not filed an amended Federal Election Commission report disclosing the bus. Her campaign still has not released the contract showing the terms and conditions of the bus rental and that makes it obvious that she is seeking to hide the illegal corporate contribution."

The Didrickson campaign still has not released to the public an amended FEC disclosure form, or the bus contract showing rate schedules, or invoices of any kind.

Bus companies charge anywhere between \$675 and \$800 a day, up to \$24,000 a month, for chartered luxury cruise buses plus additional charges including a \$10,000 fee for shrink-wrapping the bus with "Loleta" in bright red letters. Another \$4,500 in advertising fees per month is charged, company representatives have said.

The Didrickson campaign used the bus over the weekend during campaign stops in the western suburbs of Chicago. This would bring the total bill to more than \$122,000.

"Through continued use of the illegal Loleta cruiser, Didrickson is blatantly flouting the laws," said Fitzgerald. "With her blatant disregard for federal election regulations, Didrickson is beginning to make even Carol Mosley-Braun look like a saint." Mosley Braun has been dogged by scandals involving campaign finance irregularities since she was first elected in 1992.

The Fitzgerald for Senate campaign is preparing additional FEC complaints as well, documenting other violations, including but not limited to, Didrickson's illegal use of state employees to promote her Senate campaign. "We will be very aggressive in litigating these complaints before the FEC," said Fitzgerald. "The Didrickson campaign is a textbook example of the use of prohibited money and resources in a federal election, and we will vigorously prosecute her illegal activities. Didrickson will be explaining herself for years to come."

The FEC may not take up the case for several months but Didrickson will be expected to file a prompt response to the complaint.

February 18, 1998

Chairman Aikens
Federal Election Commission
999 E Street, NW

ED 04 399 3225 not paid yet

PHONE (312) 251-3100
FAX (312) 251-3108

AMERICAN SIGHTSEEING TOURS
CHICAGO SIGHTSEEING COMPANY, INC.
PALMER HOUSE-HILTON 27 EAST MONROE SUITE 515
CHICAGO, ILLINOIS 60603

INVOICE
11267

Feb. 11, 1998

Mr. Jim Riemer, Didrickson for Senate

Suite 924, 134 N. LaSalle St. Chicago, IL 60602

1998	RE: ADVERTISING OF LOLETA DIDRICKSON'S BUS			
JAN 9	One Month's ADVERTISING for Loleta Didrickson's			
to	Wrapped Bus - Monthly Rate			
FEB. 8				
			\$3,360	00

PAYMENT DUE WITHIN 10 DAYS
1 1/2% PER MONTH WILL BE ADDED TO UNPAID ITEMS AFTER DUE DATE

PHONE (312) 251-3100
FAX (312) 251-3108

20 "04" 39 "3230
AMERICAN SIGHTSEEING TOURS
CHICAGO SIGHTSEEING COMPANY, INC.
PALMER HOUSE-HILTON 27 EAST MONROE SUITE 515
CHICAGO, ILLINOIS 60603

INVOICE
11200

Jan. 10, 1998

Mr. Jim Riemer - Loleta Didrickson for Senate

Ste. 924 134 North LaSalle St. Chicago, IL. 60602

1997	RE: ADVERTISING FOR LOLETA DIDRICKSON'S BUS		
DEC 9	One Month's Advertising for Loleta Didrickson's		
to	Wrapped Coach - Monthly Rate		
1998			
JAN .8			\$3,360.00

PAYMENT DUE WITHIN 10 DAYS
1 1/2% PER MONTH WILL BE ADDED TO UNPAID ITEMS AFTER DUE DATE

11199

11

CHICAGO SIGHTSEEING COMPANY, INC.
PALMER HOUSE-HILTON 27 EAST MONROE SUITE 515
CHICAGO, ILLINOIS 60603

Jan. 10, 1998

Mr. Jim Riemer - Didrickson for Senate

134 N. LaSalle St. Suite 924, Chicago, IL. 60602

1991	RE: ADVERTISING FOR LOLETA DIDRICKSON'S BUS			
NOV. 9	One Month's Advertising for Loleta Didrickson's			
to	Wrapped Bus - Monthly Rate			
DEC. 8				
			\$3,360	00

PAYMENT DUE WITHIN 10 DAYS
1 1/2% PER MONTH WILL BE ADDED TO UNPAID ITEMS AFTER DUE DATE

ACE Sign CO.*Signs of All Kinds Since 1940*

402 N. FOURTH • SPRINGFIELD, IL 62702 • (217) 522-8417 • FAX (217) 522-6842

Didrickson for Senate

November 17, 1997

INVOICE

	DEBITS	CREDITS	BALANCE
November 5, 1997 invoice #31642 lettered entire two sides and back of transi bus	\$3950.00		
November 4, 1997 invoice #31952 furnished three 10"x22" podium signs	90.00		
total due from above			\$4040.00

TERMS: Net upon receipt. A service charge of 1.5% per month, with an annual percentage rate of 18% is applicable to past due amount.

PHONE (312) 251-3100
FAX (312) 251-3108

AMERICAN SIGHTSEEING TOURS
CHICAGO SIGHTSEEING COMPANY, INC.
PALMER HOUSE-HILTON 27 EAST MONROE SUITE 515
CHICAGO, ILLINOIS 60603

INVOICE

1125

March 4, 1998

Mr. Jim Riemer - Didrickson For Senate

Room 924 - 134 N. LaSalle St. Chicago, Il. 60602

1998

RE: Senta Campaign Service

FEB
28

Removal of Wrapped Leleta Didrickson's Bus

\$ 400

PAYMENT DUE WITHIN 10 DAYS
1 1/2% PER MONTH WILL BE ADDED TO UNPAID ITEMS AFTER DUE DATE

PHONE (312) 251-3100
FAX (312) 251-3106

AMERICAN SIGHTSEEING TOURS
CHICAGO SIGHTSEEING COMPANY, INC.
PALMER HOUSE-HILTON 27 EAST MONROE SUITE 515
CHICAGO, ILLINOIS 60603

INVOICE

11295

March 4, 1998Mr. Jim RiemerDidrickson for U.S. Senate134 North LaSalle Street, Suite 916, Chicago, Ill. 60602

1998
Feb.
07
&
14

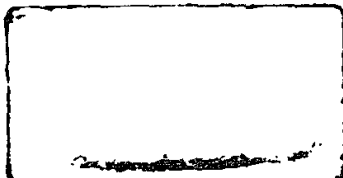
RE: Senate Campaign Service

1 bus each at contract rate with tax

\$500 00 \$1,000 00

PAYMENT DUE WITHIN 10 DAYS
1 1/2% PER MONTH WILL BE ADDED TO UNPAID ITEMS AFTER DUE DATE

+



CHICAGO SIGHTSEEING COMPANY, INC.
PALMER HOUSE-HILTON 27 EAST MONROE SUITE 515
CHICAGO, ILLINOIS 60603

11247

Feb. 9, 1998

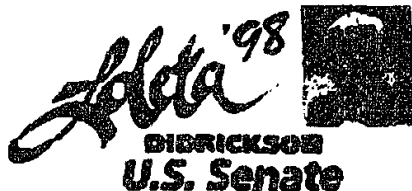
Mr. Jim Riemer, DIDTRICKSON FOR SENATE

Room 924 - 134 N. LaSalle Street, Chicago, IL. 60602

1997	RE: SENATE CAMPAIGN SERVICE			
NOV.				
5-	One Bus - Daily - Contract Rate for four (4)	\$	500	00
8	continuous Days - Charter Service w/tax			\$2,000.00

PAYMENT DUE WITHIN 10 DAYS
1 1/2% PER MONTH WILL BE ADDED TO UNPAID ITEMS AFTER DUE DATE

2025 FEB 10 03



CONTRACT CANCELLATION

As of February 19, 1998, the Agreement between the Loleta Didrickson for U.S. Senate Committee and American Sightseeing for the use of a decorated tour bus in connection with the campaign of Loleta Didrickson is hereby terminated. Excepting only payment for prior use of the bus, the parties are mutually released from any and all obligations arising under this contract.

This contract cancellation is effective upon signature by the parties.

American Sightseeing

[Signature]

Didrickson for U.S. Senate

[Signature] 02-18-98

Didrickson for U.S. Senate 134 N. LaSalle Suite 924 Chicago, IL 60602
312/782-1998 Fax: 312/782-1974
www.loleta98.com

Printed for the Didrickson for U.S. Senate Committee. This document is to be used only for the purpose of to collect and report the name, mailing address, occupation and name of employer of individuals whose contributions exceed \$200 in a calendar year. Contributions in this jurisdiction are not tax-deductible for federal income tax purposes. Original with signature must be presented.



Wolf & Company LLP
Certified Public Accountants

2100 Clearwater Drive
Oak Brook, Illinois 60523-1927
(630) 545-4500 FAX: (630) 574-7818

February 10, 1998

Ms. Trudy Nichol
Finance Director
Didrickson for U.S. Senate
134 North LaSalle #916
Chicago IL 60602

Dear Trudy:

In reviewing the Semi-annual report for Didrickson for U.S. Senate which was filed January 31, 1998, we have discovered that we inadvertently omitted some accounts payable that should have been disclosed. In accordance with FEC law, we are today preparing an amendment which will fully disclose the accounts payable as of December 31, 1997.

We have set in place procedures which will insure full disclosure of payables in future reports.

We emphasize that there was no deliberate attempt to hide any pertinent information from the public. As the amendment will show, the payables are of a routine nature and the bills, which have been paid, will be so disclosed on the FEC report to be issued on March 2.

We apologize to the Didrickson campaign for any embarrassment our oversight may have caused.

Sincerely,


Joel G. Herter
Senior Partner



AMERICAN SIGHTSEEING CHICAGO

OPERATED BY CHICAGO SIGHTSEEING COMPANY, INC.
PALMER HOUSE HILTON 27 EAST MONROE SUITE 515 CHICAGO, ILLINOIS 60603
(312) 251-3100 FAX (312) 251-3108 TELEX 4951607

Originators of Sightseeing in Chicago

March 9, 1998

Mr. F. Andrew Turley
Supervisor Attorney
Central Enforcement Docket
Federal Election Commission
999 E Street, N.W.
Washington, D.C. 20463

MUR 4721

Dear Mr. Turley:

We are replying with the information requested for an alledged complaint against our bus company for rendering services to the Loleta Didrickson's campaign headquarters.

Enclosed is a list of the invoices for the six (6) day's usage of actual bus charters by the Campaign and the invoices for the advertising on our coach for November, 1997 through February, 1998.

Our contract rate per day is the normal price for services for use up to twelve hours in the Chicago bus carriers' market of \$500.00. Additional hours of service is \$40.00 per hour.

It is customary for any bus carrier to carry advertising on its equipment and be paid for a term of service from a client at a contracted cost.

However, it is, also, customary that we use and hire out to the general public at a fixed cost a charter with advertising on the same bus. Therefore, during the dates of November 5 to 8 and February 7 and 14, the bus was in sole use for the day by the Loleta Didrickson's campaign. But, all other days through today, our firm has used this coach for its other clients and has been in possession of our coach.

Since the bus was not used by the Campaign on other dates, it was not charged for use of the bus.

I hope this information is sufficient for a reply to this complaint.

Sincerely,

CHICAGO SIGHTSEEING COMPANY INC.
D/B/A AMERICAN SIGHTSEEING-CHICAGO

Francis Ferrone

Francis Ferrone
Secretary-Treasurer
Enclosures: (5)



PHONE (312) 251-3100
FAX (312) 251-3108

AMERICAN SIGHTSEEING TOURS
CHICAGO SIGHTSEEING COMPANY, INC.
PALMER HOUSE-HILTON 27 EAST MONROE SUITE 515
CHICAGO, ILLINOIS 60603

INVOICE

11199

Jan. 10, 1998

Mr. Jim Riemer - Didrickson for Senate

134 N. LaSalle St. Suite 924, Chicago, Il. 60602

1991

RE: ADVERTISING FOR LOLETA DIDRICKSON'S BUS

NOV.
9
to
DEC.
8

One Month's Advertising for Leleta Didrickson's
Wrapped Bus - Monthly Rate

\$3,360 00

PAYMENT DUE WITHIN 10 DAYS

1 1/2% PER MONTH WILL BE ADDED TO UNPAID ITEMS AFTER DUE DATE

PHONE (312) 251-3100
FAX (312) 251-3108

AMERICAN SIGHTSEEING TOURS
CHICAGO SIGHTSEEING COMPANY, INC.
PALMER HOUSE-HILTON 27 EAST MONROE SUITE 515
CHICAGO, ILLINOIS 60603

INVOICE
11200

Jan. 10, 1998

Mr. Jim Riemer - Loleta Didrickson for Senate

Ste.924 134 North LaSalée St. Chicago, Il. 60602

1997	RE: ADVERTISING FOR LOLETA DIDRICKSON's BUS			
DEC				
9	One Month's Advertising for Loleta Didrickson's			\$3,360 00
to	Wrapped Coach - Monthly Rate			
1998				
JAN				
8				

PAYMENT DUE WITHIN 10 DAYS
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FAX (312) 251-3108

AMERICAN SIGHTSEEING TOURS

CHICAGO SIGHTSEEING COMPANY, INC.

PALMER HOUSE-HILTON 27 EAST MONROE SUITE 515
CHICAGO, ILLINOIS 60603

INVOICE

11247

Feb. 9, 1998

Mr. Jim Riemer, DIDTRICKSON FOR SENATE

Room 924 - 134 N. LaSalle Street, Chicago, Il. 60602

1998	RE: SENATE CAMPAIGN SERVICE			
NOV.				
5-	One Bus - Daily - Contract Rate for four (4)	\$	500	00
8	continuous Days - Charter Service w/tax			\$2,000.

PAYMENT DUE WITHIN 10 DAYS

1 1/2% PER MONTH WILL BE ADDED TO UNPAID ITEMS AFTER DUE DATE

PHONE (312) 251-3100
FAX (312) 251-3108

AMERICAN SIGHTSEEING TOURS
CHICAGO SIGHTSEEING COMPANY, INC.
PALMER HOUSE-HILTON 27 EAST MONROE SUITE 515
CHICAGO, ILLINOIS 60603

INVOICE

11267

Feb. 11, 1998

Mr. Jim Riemer, Didrickson for Senate

Suite 924, 134 N. LaSalle St. Chicago, Il. 60602

1998

RE: ADVERTISING of LOLETA DIDRICKSON'S BUS

JAN
9
to
FEB.
8

One Month's ADVERTISING for Loleta Didrickson's
Wrapped Bus - Monthly Rate

\$3,360 00

PAYMENT DUE WITHIN 10 DAYS

1 1/2% PER MONTH WILL BE ADDED TO UNPAID ITEMS AFTER DUE DATE

PHONE (312) 251-3100
FAX (312) 251-3108

AMERICAN SIGHTSEEING TOURS

CHICAGO SIGHTSEEING COMPANY, INC.
PALMER HOUSE-HILTON 27 EAST MONROE SUITE 515
CHICAGO, ILLINOIS 60603

INVOICE

11295

March 4, 1998

Mr. Jim Riemer Didrackson for U.S. Senate

134 North LaSalle Street, Suite 916, Chicago, Ill. 60602

1998
Feb.
07
&
14

RE: Senate Campaign Service

1 bus each at contract rate with tax

\$500 00 \$1,000 00

PAYMENT DUE WITHIN 10 DAYS
1 1/2% PER MONTH WILL BE ADDED TO UNPAID ITEMS AFTER DUE DATE

PHONE (312) 251-3100
FAX (312) 251-3108

AMERICAN SIGHTSEEING TOURS

CHICAGO SIGHTSEEING COMPANY, INC.
PALMER HOUSE-HILTON 27 EAST MONROE SUITE 515
CHICAGO, ILLINOIS 60603

INVOICE

11296

March 4, 1998

Mr. Jim Riemer Didrackson for U.S. Senate

134 North LaSalle Street, Suite 916, Chicago, Ill. 60602

1998
Feb.
09
Thru
28

RE: Senate Campaign

Aadvertising Wrap

\$3,340 00

PHONE (312) 251-3100
FAX (312) 251-3108

AMERICAN SIGHTSEEING TOURS
CHICAGO SIGHTSEEING COMPANY, INC.
PALMER HOUSE-HILTON 27 EAST MONROE SUITE 515
CHICAGO, ILLINOIS 60603

INVOICE

11298

March 4, 1998

Mr. Jim Riemer - Didrickson For Senate

Room 924 - 134 N. LaSalle St. Chicago, IL. 60602

1998

RE: Senta Campaign Service

FEB
28

Removal of Wrapped Loleta Didrickson's Bus

\$ 400 00

PAYMENT DUE WITHIN 10 DAYS
1 1/2% PER MONTH WILL BE ADDED TO UNPAID ITEMS AFTER DUE DATE